



PETER MONSEES/STAFF PHOTOGRAPHER  
David Schnegelberger talking with a visitor as his wife, Florence, showed a 1935 photo of him as a semi-professional baseball player.

# Newark man, 90, waging fight against Devils arena City's fiscal maneuvering challenged

By JOHN BRENNAN  
STAFF WRITER

1931 Chevy sedan.

But a month shy of his 91st birthday, Schnegelberger is not at all satisfied with just looking back. Instead, he has been fighting City Hall for the past eight years — and winning.

A victory in his next bout against powerful Newark Mayor Sharpe James could torpedo James' nearly completed dream of building a

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**NEWARK** — David Schnegelberger delights in reminiscing about Newark in the 1920s and '30s — when he hawked 2-cent newspapers at Broad and Market streets, watched horse-drawn wagons make garbage pickups, and took turns with his teenage brother trying to drive their parents'

## Arena: Newark man's fiscal challenge puts Devils plan in doubt

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\$510 million arena.

"I don't care how much power someone else thinks they have," the outspoken Schnegelberger said last week in the kitchen of the two-family home he has shared with his 88-year-old wife, Florence, since 1937. "If I think I'm right, I'll stand up to anybody. Too many people around here kowtow to the mayor."

Schnegelberger has led a successful fight to prevent a pair of giant fuel tanks from being built in his East Ward neighborhood and stopped an effort to replace a nearby park with a minor league baseball stadium.

His biggest legal victory so far came in mid-October. Schnegelberger was the lead plaintiff among a group of Newark residents who sued the city, alleging that it had during the past four years illegally diverted \$200 million in parking and payroll tax revenue into the general budget, instead of setting it aside for property tax relief.

While the city scrambles to undo that ruling this week by trying to persuade the Legislature to pass a retroactive exemption to the law on which the suit was based, Schnegelberger also is the lead plaintiff in a case with even bigger stakes: \$210 million. That's what James wants the city to spend on an arena that would be home to hockey's New Jersey Devils.

Schnegelberger, a former machinist and safety engineer, is asking the court to void a 2002 deal between the city and the Port Authority. That agreement, part of a renegotiation of the Port Authority's lease for the marine terminal and Newark Liberty International Airport, diverts more than \$12 million a year in agency rent payments to the Newark Housing Authority, bypassing the city's general budget.

Superior Court Judge Rachel Davidson, who is scheduled to hear the case in Newark, is the same judge who ruled against the city in the parking and payroll tax case.

That has raised the hopes of arena opponents like Schnegelberger, who would prefer to see the Devils' principal owner, Jeffrey Vanderbeck, and his partners pay the arena's full cost.

"That arena deal is bad for Newark," Schnegelberger said. "That guy who owns the Devils conned the mayor into building an arena almost for free. The \$100 million [the Devils would] pay is

just a drop in the bucket. Get this: We're going to pay for an arena for a multimillionaire!"

The parking and payroll lawsuit centered on the Revaluation Relief Act, enacted in Trenton in 1999. It allowed Newark to keep more than \$45 million a year in parking and payroll tax revenue, instead of turning it over to the state.

The money was supposed to be set aside to help homeowners who would be hit hard by large property-tax increases as Newark undertook its first revaluation in 40 years.

The state Department of Community Affairs then allowed the city to apply the money to its general budget in 2000, and the city has continued doing so ever since. Davidson found the practice to be illegal, forcing the city to make up the money it would have accumulated if it had been setting aside the parking and payroll tax funds all along.

The state Senate is expected to vote Monday on a bill that would amend the 1999 law to legalize the

city's use of the tax money. If the bill fails and Davidson's ruling isn't overturned on appeal, Newark will have to come up with nearly \$200 million for thousands of homeowners like Schnegelberger.

City attorney JoAnne Watson said that would force a major increase in property taxes citywide. But state Sen. Henry McNamara, R-Wyckoff, suggested that rather than seeking a new law, the city could meet its property tax relief obligations by using the arena money.

"We're pumping in a tremendous amount of funds to subsidize Newark's education system and other areas, and then they take a windfall and spend it on something frivolous," McNamara said of the arena plan.

Schnegelberger agreed, adding a comment about Davidson's ruling. "I'm a little surprised, and I'm happy that she ruled the way she did. They've got to find that \$200 million."

While Schnegelberger is rela-



David and Florence Schnegelberger live in the Ironbound section of Newark. He is the lead plaintiff in a suit over plans for a hockey arena.

CHRIS PEDOTA/STAFF PHOTOGRAPHER

The Revaluation Relief Act is supposed to allow homeowners like Schnegelberger to pay just 20 percent of the tax increase the first year, then 40 percent the second year and reach full value in the fifth year. But the city argues that it is, in effect, giving all city residents property tax relief by putting the parking and payroll tax revenues into the general fund.

Davidson ruled, however, that the law clearly was meant only to apply to homeowners hit hard by revaluations.

James, who also is a state senator, is co-sponsoring the Senate bill that would amend the 1999 parking and payroll tax law to legalize Newark's actions. He did not respond to a request for comment.

Schnegelberger freely admits he is not always polite in his opposition to the mayor. Indeed, he was thrown out of a recent City Council meeting for insisting on getting a second chance to speak, and he sometimes shouts and points a finger at James during meetings as he rails against various city initiatives.

"David sure does tell you what's on his mind," said Newark resident William Stewart, another senior citizen who is a plaintiff in the tax and arena lawsuits. "They broke the mold when they made him."

Soft-spoken Florence Schnegelberger seems bemused by the far more confrontational style of her husband of 68 years. The couple enjoy teasing each other about what she calls his penchant for talking too much, while he chides her over an alleged fondness for interrupting him.

Stewart, who is in his late 70s, and Schnegelberger said they wish more young people would get involved in major city issues.

"I don't understand why more people don't stand up, because the more people stand up, the more politicians back off," said Schnegelberger, who had quadruple bypass heart surgery a dozen years ago.

Schnegelberger likes to speak before senior citizens' groups that invariably include many members who are decades younger.

"I try to stir them up," Schnegelberger said with a laugh. "But some people are just old before their time. They don't get involved in things. Ballplaying, joining the Ma-sons, joining the Shriners — I've always been involved in something all my life. You've got to keep active."

was built elsewhere in the city.

In 1999, the city's effort to put a pair of fuel tanks in his neighborhood was thwarted after Schnegelberger protested in writing to each City Council member and organized a group of 90 people to attend a meeting on the issue.

Schnegelberger also has battled and won a reduction in the appraised value of his home, with the county tax board assessing the house at \$260,000 instead of the city's original figure of \$287,700. The city has appealed and is scheduled to face off with Schnegelberger in state tax court next month.

"I bought this house in 1937 for \$5,500, and I did almost everything in this house myself, from the cabinets to the tiles to fixing up the basement," he said. "I know what kind of money I put into this house, and I know I'm getting overcharged."

Meanwhile, Schnegelberger's property taxes more than doubled after the revaluation, to \$6,200 from \$2,800.

E-mail: brennan@northjersey.com